

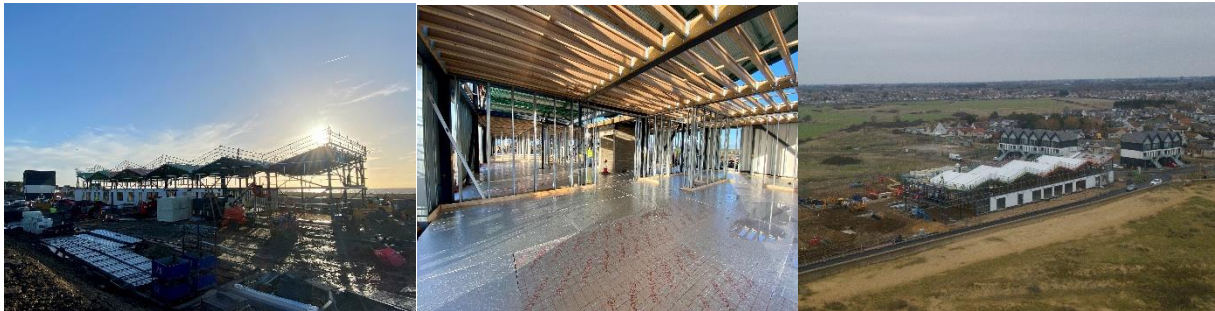
Operational Considerations for the Sunspot

Annex A

Progress Update

Progress Update

The progress on site has been problematic with an excessive amount of contamination and ground obstructions found while excavating the area. These issues have delayed the timeline but now that the project is out of the ground, the building is taking shape.



Work in progress:

- Installation of the roof.
- Underfloor heating connected.
- Screed applied to internal floors.
- Laying sand bedding over membrane in market area (to protect between asphalt and gas membrane)
- Installation of cladding
- Installation of partitions to ground floor
- Laying kerbs to the Brooklands frontage and making good of Brooklands
- Laying of subbases and asphaltting within car park
- Lower car park area subsurface asphaltting is protected at the turning head end and lower car park areas to north of building with geotextile and shingle.

Currently, the completion is May/June dependant on weather conditions with an anticipated opening in Summer 2023.

Green Credentials

It is important that TDC leads by example and promotes the use of renewable energy which is even more so with the fuel crisis and electricity rising from 0.05p per KW to 0.41p per KW. These increases have adding extreme pressure to current TDC budgets and so measures have been taken to ensure the building is as efficient as possible with an air heat pump being fitting and solar lighting being used within the community garden and carpark.

Further use of green energy had been discussed but dismissed due to the pressures on the project budget especially as a further reserve had been set aside. With the extra SELEP funding this pressure has been eased providing an opportunity to rethink and explore the possibility of increasing the use of renewable energy and installed solar panels.

In discussions with Essex County Council it transpires that they have commissioned a number of Solar Panel installations through Mitie who have now carried out a light touch survey regarding the capacity for solar panels on the building.



Solar Panel
Survey.pdf



Solar Desk Top
Study.pdf

Although a full procurement exercise will be required but earlier indications to the cost are:

Guide installed cost:	£82,632
Mitie (design fee)cost:	£3,900
Cost to connect to grid:	<u>£1,000</u>

Budget:	£87,532.00
Rick Allowance say 10%	£8,753.20

Project Costs	£96,285.20
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Mitie project delivery	£9,628.52
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Budget Cost	£105,913.72
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A further cost of **£20,000** is required to install batteries which will enable us to use the stored energy for use when solar generation is low.

This has the potential to reduce the electricity costs of the building by £30,000 per year on current energy costs with a payback of 5 years (12 years without batteries). This investment will also supports the council's goal to be net zero for carbon emissions by 2030.

Another option to consider is wind turbines but further research would be required into this form of renewable energy.

The use of renewable energy also aligns with the Tendring Climate Emergency Action Plan 2020-23 – *Move to the purchase of 100% renewable electricity. Ensure all newly constructed Council controlled building, extension and refurbishments are designed to achieve net zero emissions by 2030 where possible.*

Funding

In January 2023, Cabinet agreed a budget for the delivery of the Sunspot (Jaywick Works) of £4,407,182. That budget was made up from the following funding sources:

SELEP: £1,972,000
ECC: £325,000
TDC : £254,465

With a recommendation that further funding would be sought from partners. Essex County Council raised their funding to £2,030,182 via a funding agreement with ECC in March 2022 and TDC raised their funding to £405,000

Since that date a number of construction issues relating to the ground conditions such as contamination, has put a further strain on the budget. The total current forecast budget is now £5,173,061, an additional £ 765,879.

As a result the following additional funding has been allocated to the project since the last cabinet report on the 28th January 2022

SELEP: £419,000

ECC: £13,000 towards the community garden

TDC: £411,000 allocated from the Business Investment and Growth budget decision dated 11/03/2022

UKSPF: £41,000

Available Funding	£
TDC Funding	405,000
Additional TDC Funding	411,000
TDC total contribution	816,000
Essex County Contribution	2,030,182
Extra ECC Funding	13,000
UKSPF	41,000
SELEP	1,972,000
Extra SELEP Funding	419,000
Total Overall Project Costs	£5,291,182

The original costs for the development and current predicted ends costs are set out below:

Other Project Costs	Original £	Predicted £
Operating Partner (M1&2 + M3&4 – Subject to Contract)	62,000	62,000.00
Operating Business Costs Years 1	45,000	45,000.00
Fencing and Security	10,000	11,113.60
CDM	2,500	1,470.00
Intrusive Archaeology & Report CAT	5,000	4,425.00
Community Garden & Hoarding Projects	30,000	33,000.00
Outdoor Gym	10,000	0.00
Monitoring and Evaluation	1,500	0.00
RAMS Contribution	5,200	0.00
Stand Alone Biodiversity CEMP	338	0.00
Stand Alone Biodiversity Enhancement Strategy	450	10,487.33
Highways Contribution (S:106)	3,000	1,244.69
Bus Stop Relocation	15,000	5,000
Contingency	5,000	5,000
Total Other Project Costs	£194,988	£178,740.62

Construction Costs and Professional Fees	Original £	Predicted £
Construction Costs	3,877,239	4,400,450.85
Design Team, Planning Fees, Surveys and Investigations	284,955	269,758.07
Additional Contingency Sum	50,000	442,232.46
Total Construction, Fees and Surveys	4,212,194	£5,102,441.35

Total Overall Project Costs	£4,407,182	£5,173,061
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Available Funding	Original £	Predicted £
TDC Funding	105,535	405,000
Additional TDC Funding	70,000	411,000
TDC total contribution	254,465	816,000
Essex County Contribution	325,000	2,030,182
Extra ECC Funding		13,000
UKSPF		41,000
SELEP	1,972,000	1,972,000
Extra SELEP Funding		419,000
Total Overall Project Costs	£4,407,182	£5,291,182

The costs above do not include the cost of the land which was purchased by the Council in 2014 and is valued at £80,000 at today's values. Project management costs (officer time) borne by the project partners are not included. Further, the associated report considered by Cabinet in October 2021 highlighted some ancillary works to the project that ECC have undertaken funded from their original contribution of £350,000. The table above therefore reflects this adjustment, with ECC's contribution reduced by £25,000, which has been spent directly by them.

The additional contribution from TDC of £411,000 set out in the table above is proposed to be met from existing Economic / Business Investment and Growth budgets, for the purpose of agreeing the necessary funding to enable the project to continue and complete as soon as possible.

The site for the Covered Market and Managed Workspace development is held and accounted for by the Council's Housing Revenue Account. For the project to proceed the Council secured the Secretary of State's consent to develop the land for a non-housing related purpose.

SELEP

During September 2020, a bid was submitted to South East Local Enterprise Partnership (SELEP) for funding towards the development of the Sunspot and in November 2020 the Council were notified by the SELEP as administering body for the Government's 'Get Building Fund' (GBF), that its bid for funding to the value of £1.97m, had been successful.

Due to a number of SELEP GBF projects not being able to deliver, £3.2m additional GBF funding became available for all GBF projects to bid for. Therefore, in September 2022 Tendring District Council (TDC) submitted a further bid for £419,000 which included funding for unforeseen contamination and underground obstructions

costs as well as the possibility of funding omitted items removed from the project to reduce costs.

In November 2022 the Accountability Board awarded TDC a reduced amount of **£300,879** with the possibility of further funding at a later date. This funding will be added to the original agreement with SELEP.

In December 2022 TDC were informed that further funding had become available and a request to release **£118,121** has been put forward to the Accountability Board who agreed on the 27th January 2023. This funding completes the £419,000 requested.